

BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION
ASSESSMENT APPEALS COMMISSION

Appeal of:	ICM, LLC – RASKIN)	
	Map 163-00-0, Parcel 307)	Davidson County
	Commercial Property)	
	Tax Year 2004)	

FINAL DECISION AND ORDER

Statement of the case

The taxpayer has appealed the initial decision and order of the administrative judge, who determined the subject property should be assessed as follows:

Parcel	Land	Improvement	Total value	Assessment
307	\$2,045,600	\$1,949,400	\$3,995,000	\$1,598,000

The appeal was heard in Nashville on December 12, 2005 before Commission members Stokes (presiding), Ishie, Wade,¹ and White. The taxpayer was represented by Mr. Davis Gravely, an agent registered with the State Board of Equalization, and the assessor was represented by a deputy, Mr. Kenny Vinson.

Findings of fact and conclusions of law

The subject property is a strip shopping center located adjacent to Hickory Hollow Mall in Nashville. It suffers higher than market vacancy rates which the owner attributes to its relative lack of visibility. Mr. Gravely presented an income approach to value which concluded the property was worth no more than \$3,453,000, while the assessor offered an income indicator \$1 million higher based on lower vacancy (20% versus 30%) and capitalization rates (9% versus 10.5% overall rate before accounting for the effective tax rate).

The Commission finds the assessor's reliance on institutional class data overstates the value of the subject property which is clearly not an institutional class investment. On the other hand, Mr. Gravely's pessimism does not appear to be entirely supported by the actual operating results for the property. In only one of the four years leading up to the assessment date did the property suffer more than 20% vacancy. We find the parties' points of contention should be reconciled to middle ground, 25% as a vacancy rate and 10% as an overall cap rate (11.83% with effective tax rate added). The resulting value of \$4,094,360 should be equalized applying the 2004 Davidson County appraisal ratio (.9455) yielding an equalized value of \$3,871,000.

ORDER

¹ Mr. Wade and Mr. Ishie sat as alternates in the absence of regular members who were unavailable, pursuant to Tenn. Code Ann. §4-5-302.

It is therefore ORDERED, that the initial decision and order of the administrative judge is modified to reflect the following value:

Parcel	Land	Improvement	Total value	Assessment
307	\$2,045,600	\$1,825,400	\$3,871,000	\$1,548,400

This order is subject to:

1. Reconsideration by the Commission, in the Commission's discretion.

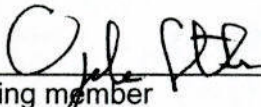
Reconsideration must be requested in writing, stating specific grounds for relief and the request must be filed with the Executive Secretary of the State Board within fifteen (15) days from the date of this order.

2. Review by the State Board of Equalization, in the Board's discretion. This review must be requested in writing, state specific grounds for relief, and be filed with the Executive Secretary of the State Board within fifteen (15) days from the date of this order.

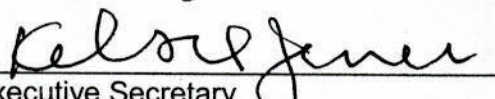
3. Review by the Chancery Court of Davidson County or other venue as provided by law. A petition must be filed within sixty (60) days from the date of the official assessment certificate which will be issued when this matter has become final.

Requests for stay of effectiveness will not be accepted.

DATED: Apr. 11, 2006


Presiding member

ATTEST:


Executive Secretary

cc: Mr. Davis Gravely
Mr. Kenny Vinson, Assessor's office